EDISON

Oncolytics Biotech

Update: Melanoma data

Promising melanoma and lung cancer data

Pharma & biotech

Oncolytics has announced promising preliminary Phase II melanoma and lung cancer data. However, in view of the rapidly evolving treatment landscape in this poorly treated indication, the company has pragmatically decided to re-evaluate Reolysin in combination with the new and increasingly targeted immunotherapies before conducting the next melanoma clinical trial. By contrast, Oncolytics will be conducting further trials in squamous cell carcinoma of the lung (SCCLC) following the recent positive data. Oncolytics has two ongoing Phase II trials in non-small cell lung cancer (NSCLC) and SCCLC and lung adenocarcinoma.

Year end	Revenue (C$m)	PBT* (C$m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/11	0.0	(28.3)	(39.9)	0.0	N/A	N/A
12/12	0.0	(36.3)	(47.3)	0.0	N/A	N/A
12/13e	0.0	(39.7)	(46.8)	0.0	N/A	N/A
12/14e	0.0	(36.3)	(42.2)	0.0	N/A	N/A

Note: *PBT and EPS are normalised, excluding intangible amortisation, exceptional items and share-based payments.

Promising preliminary Phase II melanoma data

Preliminary data from a Phase II trial in metastatic melanoma patients given intravenous Reolysin in combination with carboplatin and paclitaxel (REO 020) recently achieved the primary end point. In a two-stage design study, sufficient responses were seen in the first stage to proceed with enrolment in the second stage after 14 evaluable patients were enrolled. Three of the 14 patients exhibited partial response (PR) and an additional seven patients had stable disease (SD) for a disease control rate (DCR) of 71.5%.

Positive Phase II lung cancer data

A US Phase II single-arm trial in late-stage, metastatic SCCLC chemotherapy naïve patients given intravenous Reolysin in combination with carboplatin and paclitaxel (REO 021) recently achieved its primary end point. In a two-stage design study, sufficient responses were seen in the first stage to proceed with enrolment in the second stage after 21 evaluable patients were treated; nine exhibited PR, while a further nine showed SD and three progressive disease (PD), for a response rate of 42.8% (target was 35%) and a DCR of 85.7%.

Financials: Funded to H214

Following a capital raising of around US$32m (gross) in February, Oncolytics ended Q1 with cash of C$41.5m, which should provide a cash runway into H214.

Valuation: Risk-adjusted NPV of C$368m

Our rNPV remains unchanged at C$368m. This is based on prudent assumptions of Reolysin's probability of success in each indication, launch date, pricing and market penetration. By comparison, Oncolytics's EV is currently C$170m, based on a market cap of C$211m and end-Q1 cash of C$41.5m.

14 June 2013

Price	**C$2.49**
Market cap	**C$211m**
Net cash (C$m) at end Mar 2013	41.5
Shares in issue	84.8m
Free float	98%
Code	ONC
Primary exchange	TSX
Secondary exchange	NASDAQ

Share price performance

%	1m	3m	12m
Abs	(11.0)	(20.8)	(31.3)
Rel (local)	(7.4)	(15.7)	(34.8)
52-week high/low	C$4.75		C$1.70

Business description

Oncolytics Biotech is a Canadian company focused on developing Reolysin, a pharmaceutical formulation of the oncolytic reovirus, for the treatment of a wide variety of human cancers (Phase III trial in head and neck cancer).

Next events

SCCHN data	Q213
NSCLC Phase II data	Q413
Pancreatic Phase II data	Q413

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Oncolytics' datasheet

Exhibit 1: Reolysin clinical studies underway

Code	Indication	Notes	End points
REO 018	Squamous cell carcinoma of the head and neck (SCCHN)	160-pt Phase III trial of carboplatin/paclitaxel ± Reolysin in platinum-refractory metastatic/recurrent SCCHN. First stage segregated into two groups: local ± mets and distal mets.	**Primary**: OS. **Secondary**: PFS, S&T. Reolysin + carbo-tax shown to be significantly better than control in stabilising or shrinking metastatic tumours (p=0.03) (results: H213).
REO 016	Non-small cell lung cancer (NSCLC)	36-pt open-label Phase II trial with paclitaxel and carboplatin in metastatic or recurrent NSCLC with KRAS or EGFR-activated tumours.	**Primary**: ORR and PFS6. **Secondary**: median OS, PFS and OS at one year, and safety and tolerability (results: Q212). Interim data on 20 pts show 6 PRs (30%), 12 SD (60%), 2 PD (10%) for CBR of 90% and ORR of 30% (results: Q413).
NCIC-CTG Study		150-pt Phase II study of pemetrexed ± Reolysin and docetaxel ± Reolysin as salvage therapy.	**Primary:** PFS. **Secondary**: AE, RR (PR, ORR, OS), molecular factors (results: Q414).
NCIC-CTG Study	Metastatic breast cancer	100-pt Phase II trial of Reolysin +paclitaxel.	**Primary:** PFS. **Secondary**: ORR, OS, molecular factors (results: Q414).
NCIC-CTG Study	Metastatic colorectal cancer	100-pt Phase II trial of FOLFOX6 and bevacizumab ± Reolysin.	**Primary:** PFS. **Secondary**: CEA, ORR, OS, molecular factors and QoL (results: Q214).
REO 022		12-20-pt Phase I trial of Reolysin with FOLFIRI (three doses, each with 3-6 pts) in oxaliplatin-refractory or intolerant KRAS-mutants.	**Primary**: MTD and DLT. **Secondary**: ORR, CBR, PFS, OS, and safety and tolerability (results: TBA).
NCIC-CTG Study	Metastatic castration-resistant prostate cancer	80-pt Phase II trial of docetaxel/prednisone ± Reolysin.	**Primary:** disease progression. **Secondary**: circulating tumour cells, PSA and OS (results: Q414).
REO 017	Metastatic pancreatic cancer	33-pt open-label Phase II study of Reolysin + gemcitabine. Two-stage design.	**Primary**: CBR. **Secondary**: PFS, S&T. (results due: Jul 12). Primary end point met in Dec 2011 with 8/13 evaluable pts in SD≥12 wks; ORR: 62%, CBR of 62% (final results: Q413).
NCI Study		70-pt open-label Phase II study of carboplatin/paclitaxel ± Reolysin.	**Primary**: PFS. **Secondary**: ORR and OS (results: H114).
NCI Study	Ovarian cancer	45-pt open-label Phase II trial of Reolysin given IV and intraperitoneally (IP).	**Primary**: S&T, MTD of IP Reolysin when used with IV Reolysin and ORR (results: N/A).
GOG- 0186H		150-pt open-label Phase II study of carboplatin/paclitaxel ± Reolysin.	**Primary**: PFS and AEs. **Secondary:** PFS and OS, tumour response by RECIST (results: H213).
REO12	Solid tumours	36-pt open-label study of Reolysin + cyclophosphamide (incl pancreatic, lung, ovarian).	**Primary**: MED. **Secondary**: safety, anti-tumour activity.
NCI/COG		45-pt Phase I study of Reolysin + cyclophosphamide in paediatric pts.	**Primary**: MTD, Phase II dose, AEs. **Secondary:** PK, anti-tumour activity, neutralising antibodies (results: Q414).
NCI	Multiple myeloma	12-pt Phase I open-label dose escalation study of Reolysin in relapsed MM.	**Primary**: AEs, MTD, ORR. **Secondary**: PFS, duration of response and TTP (results: Q114).

Selected completed Reolysin study results (Phase I/II or II only)

Code	Indication	Notes
REO 021	SCCLC	36-pt open-label Phase II trial of Reolysin + paclitaxel/carboplatin in metastatic or recurrent squamous, chemo-naïve. Primary: ORR. Secondary: PFS and OS. First stage: 5 (of 15) PR + 8 SD = 87% DCR. Second stage: met primary end point after 21 (of 36) pts; 9 PR, 9SD, ORR: 42.8%, DCR: 85.7%.
REO 020	Metastatic melanoma	43-pt open-label Phase II trial of Reolysin + carboplatin/paclitaxel. Primary: ORR. Secondary: PFS, OS, DCR and duration and S&T. First stage: 14 (of 18): 3 PR, 7 SD, ORR: 21.4%, DCR: 71.5%. Met primary end point, but not proceeding to second stage because of changing treatment landscape. Reolysin to be re-evaluated with new immunotherapies.
REO 015	SCCHN	14-pt open-label Phase II trial of Reolysin with paclitaxel/carboplatin. All 14 pts had received previous chemotherapy and/or radiotherapy; 10 had received previous taxane treatment. Of the 13 pts evaluable for response, 4 PRs; ORR of 31%. 6 SD>12 wks, DCR of 46%. 2 of the 4 PRs and both SD patients had received previous treatment with taxanes.
REO 014	Sarcoma	53-pt Phase II study (completed in November 2009) demonstrated positive results.
REO 013	mCRC	10-pt open-label study of IV Reolysin before surgical resection of colorectal liver metastases. Primary objectives are to assess the presence, replication and anticancer effects of reovirus within liver metastases by examination of the resected tumour. Early results reported in 2010 concluded that the reovirus could be delivered successfully specifically to colorectal liver metastases.

Source: Edison Investment Research

Update: Promising Phase II melanoma and lung data

Oncolytics has announced promising preliminary Phase II melanoma and lung cancer data. However, in view of the rapidly evolving treatment landscape in this poorly treated indication, the company has pragmatically decided to re-evaluate Reolysin in combination with the new and increasingly targeted immunotherapies before conducting the next melanoma clinical trial. By contrast, Oncolytics will be conducting further trials in SCCLC following the recent positive data (REO 021). An NSCLC Phase II trial recently completed enrolment (REO 016), while an NCIC Phase II SCCLC and lung adenocarcinoma trial is enrolling patients. Preliminary data from the REO 018 Phase III squamous cell carcinoma of the head and neck (SCCHN) trial suggested that Reolysin in combination with carboplatin/paclitaxel is more active in metastatic than in loco-regional disease. The trial has been restructured to provide data for the basis for a future pivotal study in metastatic SCCHN.

Promising preliminary Phase II melanoma data

Recent preliminary data from a Phase II trial in metastatic melanoma patients using intravenous Reolysin in combination with carboplatin and paclitaxel (REO 020) appeared promising. In a two-stage design study, up to 18 evaluable patients were to be treated in the first stage. If three or more patients demonstrated a PR or better, the study could then proceed to the second stage, with a total of up to 43 patients being enrolled. This end point was met after 14 evaluable patients were enrolled. Three of the 14 patients exhibited PR and an additional seven patients had SD for an overall response rate (ORR) of 21% and disease control rate (DCR = complete response (CR) + PR + SD) of 71.5%.

Although these data appear promising, Oncolytics has pragmatically decided to pause the Phase II trial, because the melanoma treatment landscape is currently shifting to highly targeted immunotherapies, such as anti- BRAF and PD-1 agents (see Exhibit 3 for details). Oncolytics is now conducting research to evaluate Reolysin in combination with these emerging treatments for a number of melanoma patient sub-populations and will continue the trial following this research.

Exhibit 2: Malignant melanoma background

What is malignant melanoma?	Melanoma is a malignant tumour of melanocytes. Melanocytes produce the dark pigment, melanin, which is responsible for skin colour. When skin is exposed to sunlight, melanocytes make more pigment, causing the skin to tan. These cells occur mainly in skin, but are also found in other body parts, including the bowel and eye. Melanoma is less common than other skin cancers, but is much more dangerous if not caught early, causing 75% of skin cancer deaths. The most common site in men is on the trunk and head and neck, and in women on the arms and legs. It is particularly common among Caucasians, especially North-Western Europeans living in sunny climates, resulting in high incidence rates in Oceania, North America, Europe, Southern Africa and Latin America.
Incidence/ prevalence	Incidence: US: 21.1 per 100,000 (2010) or 62,000 patients, UK: 20.5 per 100,000 (2010). Annual growth: 0.2%. Much more common in Caucasians. Prevalence: Worldwide: 756,000 (2008), UK: 59,147 (2008). Mortality: US: 2.7 per 100,000 (2010) or 8,000 deaths, UK: 2,203 (2010).
Staging	Stages: 0 – melanoma in situ: 99.9% survival; I/II – invasive: 89-95% survival; II – high risk: 45-79% survival; III – regional metastasis: 24-70% survival; IV – distant metastasis: 7-19% survival. Each stage is broken down by the TNM classification: T for stages I and II, N for stage III and M for stage IV and Breslow's thickness.
Symptoms	A mole that changes in size, shape, or colour; has irregular edges or borders; is more than one colour; is asymmetrical (if the mole is divided in half, the two halves are different in size or shape); itches; oozes, bleeds, or is ulcerated; a change in pigmented skin; and satellite moles.
Diagnosis	• Clinical: the skin is checked for moles, birthmarks, or other pigmented areas that look abnormal in colour, size, shape, or texture. • Skin biopsy: to remove the abnormal tissue and a small amount of normal tissue around it for cytopathology. If cancerous, the tissue sample may also be tested for genetic mutations, such as CDKN2A and CDK4. 40-60% of melanomas contain a mutation in the BRAF gene. • Sentinel lymph node biopsy depending on the stage, ± lymphoscintigraphy. Alternatively, a fine-needle aspiration biopsy, often to test masses. • CT and PET scans. • Blood LDH levels
Treatment	Treatment includes surgical removal of the tumour. If found early, while still small and thin and completely removed, the chance of cure is high. The likelihood of the melanoma returning or spreading depends on how deeply it has breached the skin layers. For melanomas that come back or spread, treatments include: • Surgery: complete surgical excision of tumour with wide margins ± sentinel lymph node biopsy or lymphadenectomy, and a combination of: • Chemotherapy (often given as adjuvant therapy for high-risk melanomas) – local or systemic: dacarbazine (DTIC), temozolomide, hydroxyurea. • Biological: interferon, interleukin-2, vemurafenib (BRAF inhibitor), ipilimumab. • Radiotherapy
Prognosis	Median survival is 8.5 months and the probability of surviving five years after the diagnosis is less than 5%.

Source: Edison Investment Research

Malignant melanoma has an incidence of around 0.02% of the population, approximately 62,000 Americans with an estimated 8,000 deaths, see Exhibit 2 for details. Surgical resection is often

curative in early, limited-stage disease. However, no effective treatment exists for metastatic melanoma, which is worrying given the growing incidence of melanoma worldwide, particularly in under 40 year-olds. Melanoma is radioresistant and not chemosensitive. Standard agents for the treatment of metastatic melanoma include dacarbazine (DTIC) and interleukin-2 (IL-2). None of these agents have led to significant prolongation in OS for patients with metastatic melanoma; median survival is 8.5 months and the probability of surviving five years after the diagnosis is less than 5%. Therefore, a number of innovative therapeutic strategies have been pursued in the treatment of this disease: immunotherapies such as alpha-interferon and interleukin-2, tyrosine kinase inhibitors, angiogenesis inhibitors and vaccines, see Exhibit 3 for details. However, oncologists are currently excited by four newly approved targeted immunotherapies: anti-CTLA-4 antibody ipilimumab, BRAF inhibitors vemurafenib and dabrafenib, and MEK inhibitor trametinib.

Impressive results from a Phase I study of ipilimumab in combination with anti-PD-1 antibody nivolumab in aggressive, advanced (inoperable stage III and metastatic stage IV) melanoma patients were recently presented at the 2013 American Society of Clinical Oncologists conference. The preliminary results, based on 52 patients in three (of six) completed treatment arms, in which patients received concurrent treatment with both drugs, demonstrated tumour shrinkage rates of 21%, 53%, and 50%, with highest rates seen with the highest dose of both drugs. The responses were rapid for an immunotherapy with three out of four responders experiencing tumour reduction within the first three months. 31% of patients experienced significant tumour shrinkage of >80%. TVEC's recent promising preliminary Phase III data mark a landmark for oncolytic virus therapy.

Exhibit 3: Selected metastatic melanoma products in Phase III trials

Product	Company	Notes
TVEC (talimogene laherparepvec/ OncoVEXGM-CSF)	Amgen/BioVex	439-pt Phase III trial comparing intratumoural TVEC to subcutaneous GM-CSF in previously treated unresectable Stage IIIb, IIIc and IV melanoma. Results: met primary end point of durable response rate (DRR: rate CR or PR lasting continuously for ≥6 months). Statistically significant difference in DRR: 16% in the TVEC arm vs 2% in the GM-CSF arm. OS analysis, a secondary end point, is event driven; interim analysis showed an OS trend in favour of TVEC as compared to GM-CSF. The OS data is expected to mature in late-2013.
Ipilimumab	BMS	950-pt Phase III trial versus placebo after complete resection of high risk stage III melanoma. Results: Q213.
Ipilimumab	BMS	700-pt Phase III trial of ipilimumab at 3mg/kg versus at 10mg /kg in metastatic melanoma. Results: Q415.
Nivolumab/ ipilimumab	BMS	915-pt Phase III trial of nivolumab monotherapy or nivolumab combined with ipilimumab versus ipilimumab monotherapy in previously untreated unresectable or metastatic melanoma. Results: Q416.
Nivolumab	BMS	410-pt Phase III trial of nivolumab versus dacarbazine in previously untreated, unresectable or metastatic melanoma. Results: Q415.
Nivolumab	BMS	390-pt Phase III trial of nivolumab versus dacarbazine, carboplatin or paclitaxel in advanced melanoma progressing post anti-CTLA-4 therapy. Results: Q215.
Vemurafenib	Roche	3300-pt Phase III trial in surgically resected, BRAF mutant metastatic melanoma. Results: Q215.
Vemurafenib	Roche	725-pt Phase III trial in surgically resected, BRAF mutant melanoma at high risk for recurrence. Results: Q316.
Vemurafenib	Roche	500-pt Phase III trial in of vemurafenib versus vemurafenib plus GDC-0973 (MEK-inhibitor) in untreated BRAF mutant unresectable advanced or metastatic melanoma. Results: Q316.
Dabrafenib	GSK	200-pt Phase III trial comparing GSK2118436 to dacarbazine (DTIC) in previously untreated BRAF mutation positive advanced (Stage III) or metastatic (Stage IV) melanoma. Results: Q313.
Dabrafenib/ trametinib	GSK	694-pt Phase III trial of dabrafenib (BRAF inhibitor) plus trametinib (MEK inhibitor) to vemurafenib in BRAF mutant unresectable (Stage IIIc) or metastatic (Stage IV) melanoma. Results: Results: Q214.
Dabrafenib/ trametinib	GSK	340-pt Phase III trial of dabrafenib (BRAF inhibitor) plus trametinib (MEK inhibitor) to dabrafenib first-line in BRAF mutant unresectable (Stage IIIc) or metastatic (Stage IV) melanoma. Results: Q213.
MEK162	Novartis	393-pt Phase III trial of MEK162 versus dacarbazine in NRAS mutant advanced unresectable or metastatic melanoma. Results: Q414.
Allovectin-7	Vical	375-pt Phase III trial of 2mg intralesional Allovectin-7 compared to dacarbazine (DTIC) or temozolomide (TMZ) in recurrent metastatic melanoma. Results: Q313.

Source: Edison Investment Research

Positive Phase II lung cancer data

A US Phase II single-arm trial in metastatic stage IIIB, or stage IV, or recurrent SCCLC chemotherapy naïve patients given intravenous Reolysin in combination with carboplatin and paclitaxel (REO 021) recently achieved its primary end point. Oncolytics previously reported that 95% of patients exhibited overall tumour shrinkage (mean shrinkage of 33.7%). The study is a two-stage design with a primary overall end point of ORR. Sufficient responses were seen in the first stage to proceed with enrolment in the second stage. A total of up to 36 patients were to be studied

in the second stage. The primary end point was met if nine or more patients in both stages combined had a PR or better, which yielded a true response rate of 35% or more. This end point was met after 21 evaluable patients were treated; nine exhibited PR, another nine showed SD and three had PD for an ORR of 42.8% and DCR of 85.7%. The secondary objectives are to assess PFS and OS, to determine the proportion of treated patients alive and free of disease progression at six months, and to assess safety and tolerability. Oncolytics intends to conduct further studies in SCCLC based on these positive data.

Patient enrolment was recently completed in another Phase II single-arm, single-stage, open-label trial evaluating intravenous Reolysin in combination with paclitaxel and carboplatin in NSCLC chemotherapy naïve patients with *Kras* or EGFR-activated tumours (REO 016). Oncolytics previously reported that 33 treated patients had molecular tumour subtypes, including 16 *Kras*, three EGFR, four BRAF mutations, and 10 EGFR-amplified only. Response evaluation data of 30 evaluable patients showed that 27 patients had SD or better for a 90% clinical benefit rate (nine PR (30%) and 18 SD (60%)). Three patients had progressive disease (PD) as their best response. Results are expected in Q413. An NCIC Phase II open-label, randomised, trial evaluating Reolysin in combination with docetaxel or pemetrexed in a second-line role is enrolling up to 150 squamous cell and adenocarcinoma of the lung patients.

Sensitivities

Oncolytics is exposed to typical biotech company development risks, including the unpredictable outcome of trials, as highlighted in last year's outcome of the SCCHN study. It has a very high single-product risk, with the entirety of its value residing in Reolysin. The investment case hinges on Oncolytics's ability to secure a licensing deal to commercialise Reolysin and fund the pivotal Phase III trials required in larger indications such as NSCLC and CRC. Ideally, such a partner would have an established oncology franchise so that it can provide the resources and experience to conduct trials in multiple indications to fully exploit the novel technology. A licensing deal should achieve a significant re-rating in valuation.

Valuation

Our valuation remains unchanged despite the recent positive melanoma and SCCLC data, because the melanoma programme has been paused and will review the NSCLC valuation following the REO 016 trial data expected in Q413. Our risk-adjusted NPV is C$368m, compared to a current EV of C$170m, based on a market cap of C$211m and an end-Q1 cash of C$41.5m. This valuation model is based on what Edison believes to be prudent assumptions of probability of success, launch date, pricing and market penetration in each indication. The probabilities of success in the different indications are in line with industry norms. No upfront or milestone payments from a licensing partner have been assumed in our model. Our valuation model assumes a Reolysin price of C$20,000 per course of treatment; higher pricing may be possible.

Financials

Following a capital raising of around US$32m (gross) in February, Oncolytics ended Q1 with cash of C$41.5m, which should provide a cash runway into H214. For the capital raising, 8.0m ordinary shares were issued at US$4.00 per share. For illustrative purposes, we have increased forecast FY13 R&D spend to reflect additional SCCHN studies, although this will be reviewed when the future of the SCCHN programme has been clarified later this year.

Exhibit 4: Financial summary

C$'000s	2011	2012	2013e	2014e	2015e
Year end 31 December	Can GAAP	Can GAAP	Can GAAP	Can GAAP	Can GAAP
PROFIT & LOSS					
Revenue	0	0	0	0	0
Cost of sales	0	0	0	0	0
Gross Profit	0	0	0	0	0
EBITDA	(28,684)	(36,617)	(39,948)	(36,614)	(33,474)
Operating profit (before GW and except.)	(28,725)	(36,688)	(40,021)	(36,688)	(33,548)
Intangible amortisation	(736)	0	0	0	0
Exceptionals	0	0	0	0	0
Other	39	0	0	0	0
Operating profit	(29,422)	(36,688)	(40,021)	(36,688)	(33,548)
Net interest	416	345	345	345	345
Profit before tax (norm)	(28,309)	(36,343)	(39,676)	(36,343)	(33,203)
Profit before tax (FRS 3)	(29,006)	(36,343)	(39,676)	(36,343)	(33,203)
Tax	(40)	(30)	0	0	0
Profit after tax (norm)	(28,310)	(36,313)	(39,676)	(36,343)	(33,203)
Profit after tax (FRS 3)	(29,046)	(36,374)	(39,676)	(36,343)	(33,203)
Average number of shares outstanding (m)	70.9	76.7	84.8	86.1	88.1
EPS – normalised (c)	(39.9)	(47.3)	(46.8)	(42.2)	(37.7)
EPS – FRS 3 (c)	(41.0)	(47.4)	(46.8)	(42.2)	(37.7)
Dividend per share (c)	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET					
Fixed assets	392	409	409	409	409
Intangible assets					
Tangible assets	392	409	409	409	409
Investments	0	0	0	0	0
Current assets	35,633	21,669	14,162	1,185	983
Stocks	0	0	0	0	0
Debtors	55	45	48	51	55
Cash	34,856	21,293	13,814	834	628
Current liabilities	(6,504)	(7,291)	(10,208)	(14,291)	(20,007)
Creditors	(6,504)	(7,291)	(10,208)	(14,291)	(20,007)
Short-term borrowings	0	0	0	0	0
Long-term liabilities	0	0	0	(20,000)*	(48,000)*
Long-term borrowings	0	0	0	(20,000)	(48,000)
Other-long term liabilities	0	0	0	0	0
Net assets	29,520	14,787	4,363	(32,696)	(66,615)
CASH FLOW					
Operating cash flow	(24,451)	(36,374)	(37,034)	(32,535)	(27,761)
Net interest	(416)	(345)	(345)	(345)	(345)
Tax	0	0	0	0	0
Capex	(100)	(126)	(100)	(100)	(100)
Acquisitions/disposals	0	0	0	0	0
Financing	16,917	21,747	30,000	0	0
Dividends	0	0	0	0	0
Net cash flow	(8,050)	(15,097)	(7,479)	(32,980)	(28,206)
Opening net debt/(cash)	(42,906)	(34,856)	(21,293)	(13,814)	19,166
HP finance leases initiated	0	0	0	0	0
Other	0	1,535	0	0	0
Closing net debt/(cash)	(34,856)	(21,293)	(13,813)	19,166	47,373

Source: Company accounts, Edison Investment Research. *Note: Long-term liabilities assumes capital raisings for illustrative purposes.

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